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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/805,873	03/22/2004	Christopher D. Payne	306410.02/MFCP.140571	9879

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EXAMINER
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POUNCIL, DARNELL A

ART UNIT	PAPER NUMBER
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4176

MAIL DATE	DELIVERY MODE
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06/09/2008

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/805,873	<b>Applicant(s)</b> PAYNE ET AL.	
	<b>Examiner</b> DARNELL POUNCIL	<b>Art Unit</b> 4176	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-46 is/are pending in the application.
- 4a) Of the above claim(s) none is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-46 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 22 March 2004 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)            | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. ____.                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>20051021, 20050923, 20040824</u> .                            | 6) <input type="checkbox"/> Other: ____.                          |

## **DETAILED ACTION**

### ***Drawings***

1. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(5) because they do not include the following reference sign(s) mentioned in the description: 100 (search optimization system).

Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either "Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

### ***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-25 and 32-46 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

4. Method claims 1-25 and 32-46 are drawn merely to the production and/or manipulation of non-functional descriptive material, effecting no “useful, concrete, and tangible result.” It has been held that such claims, even if the non-functional descriptive material is claimed in combination with a computer-readable medium, are considered to comprise non-statutory subject matter, for merely manipulating an abstract idea. *In re Lowry*, 32 USPQ2d 1031 (Fed. Cir. 1994). See MPEP § 2106.

5. Moreover, method claims 1-25 and 32-46 further fail to satisfy the requirements for statutory subject matter eligibility because they are considered to preempt the underlying abstract idea, since they would foreclose others from substantially all practical applications of the same abstract idea. It has been held that such claims are considered to be unpatentable for comprising non-statutory subject matter. *In re Schrader*, 22 F.3d 290, 295; 30 USPQ2d 1455, 1459 (Fed. Cir. 1994). See MPEP § 2106.

### ***Claim Rejections - 35 USC § 112, Second Paragraph***

6. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

7. Claims 1-46 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

8. The terms “actual performance” and “expected performance” are not clearly defined, thus it is unclear what is being claimed. The “performance” could be defined as the ad views, measured by the click through rate, amount of clicks, number of impressions, or conversion rate, or the performance could be defined as the number of actual sales transactions resulting from the advertisement.

9. The term “prominently” in each of claims 2-6 is a relative term which renders the claims indefinite. The term “prominently” is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.

10. Claim 22 recites the limitation “the performance settings repository” in lines 1 and 2. There is insufficient antecedent basis for this limitation in the claim.

### ***Claim Rejections - 35 USC § 102***

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

11. Claims 1- 46 rejected under 35 U.S.C. 102 (e) as being anticipated by Kamangar et al. (US 2003/0046161).

12. With respect to **Claims 1 & 32**: Kamangar discloses a method for optimizing placement of search result listings displayed in a search Web page, the method comprising:

measuring an actual performance of a listing located in a Web page containing a search

term and a search result corresponding to the search term; (Kamangar [14 & 40])

assigning an expected performance for the listing based on the location; comparing the actual performance to the expected performance for the listing; (Kamangar [14 & 40])

promoting the listing to a more prominent location when the actual performance is better than the expected performance; and (Kamangar [14 & 40])

demoting the listing to a less prominent location when the actual performance is poorer than the expected performance. (Kamangar[14 & 40])

13. With respect to **Claim 2**: Kamangar discloses wherein assigning the expected performance includes increasing the expected performance when the listing is prominently located, and decreasing the expected performance when the listing is not prominently located. (Kamangar [43])

14. With respect to **Claims 3-6, 19-21, & 34-37**: Kamangar discloses, wherein the listing is prominently located when it is included in the search result, wherein the listing is prominently located when it is located near the search term, wherein the listing is not prominently located when it is located in a sidebar on the Web page, wherein the listing is not prominently located when it is located separately from the search result. (Kamangar[ 51] & Fig. 6)

15. With respect to **Claims 7 & 38**: Kamangar discloses further comprising increasing the expected performance of the listing based on a context of the listing, wherein the context of the listing comprises factors that increase performance, including at least one of a position of the listing above other listings, a larger size of the listing relative to other listings, a distinctive formatting applied to the display of the listing, including a contrasting color, a highlighting, an

animation, and a graphic, and a good performance of a neighboring listing. (Kamangar [24, 25, & 28] )

16. With respect to **Claims 8 & 39**: Kamangar discloses, further comprising decreasing the expected performance of the listing based on a context of the listing, wherein the context of the listing comprises factors that decrease performance, including at least one of a position of the listing below other listings, a smaller size of the listing relative to other listings, a lack of distinctive formatting applied to the display of the listing, and a poor performance of a neighboring listing. (Kamangar [40])

17. With respect to **Claims 9 & 40**: Kamangar discloses, wherein the performance of a listing is a click-through rate, where the click-through rate is derived from a number of times the listing is displayed in the Web page as compared to a number of times the listing is clicked after being displayed. (Kamangar [40])

18. With respect to **Claims 10 & 41**: Kamangar discloses, wherein the listing is an unpaid listing, and the expected performance is a threshold level that is tuned to optimize unpaid listing relevance. (Kamangar [52])

19. With respect to **Claims 11 & 42**: Kamangar discloses, wherein the listing is a paid listing that generates advertising revenue each time it is clicked, and the expected performance is a threshold level that is tuned to optimize paid listing revenue. (Kamangar [44])

20. With respect to **Claims 12 & 43**: Kamangar discloses, wherein the expected performance of a listing is a threshold performance level that is tuned to a particular market. (Kamangar [25 & 28])

21. With respect to **Claims 13 & 44**: Kamangar discloses, wherein the performance of a listing is based on an overall performance of a set of listings to which the listing belongs, and promoting and demoting the listing includes promoting and demoting the set of listings based on the overall performance. (Kamangar [43])

22. With respect to **Claims 14 & 45**: Kamangar discloses, wherein the overall performance of the set of listings is based on the expected performance of each listing in the set, wherein the expected performance varies based on a position of each listing within the set. (Kamangar [41-44])

23. With respect to **Claims 15, 25 & 46**: Kamangar discloses, wherein the actual performance is better than the expected performance when the actual performance substantially exceeds the expected performance, and poorer when the actual performance falls substantially short of the expected performance. (Kamangar [40-43])

24. With respect to **Claim 16**: Kamangar discloses, a search results optimization system comprising: a performance measurement process to measure an actual performance of a listing appearing a search results Web page against an expected performance level, where the expected performance level is based on whether the listing appears in a more prominent or less prominent location;

a listing placement process to promote the listing to the more prominent location when the actual performance measures higher than the expected performance level, and to demote the listing to the less prominent location when the actual performance measures lower than the expected performance level. (Kamangar [14-43])



25. With respect to **Claim 17**: Kamangar discloses, wherein to measure an actual performance includes capturing a number of impressions of a listing and a number of clicks on a listing, and a current location of the listing relative to a location of the search results on the Web page. (Kamangar [14, 25, 28])
26. With respect to **Claim 18**: Kamangar discloses, wherein the more prominent location is a location in which a listing is expected to receive a greater number of clicks than that received in the less prominent location. (Kamangar [44])
27. With respect to **Claim 22**: Kamangar discloses, wherein the expected performance levels in the performance settings repository are tuned to optimize at least one of advertising revenue and search result relevance. (Kamangar [12] & Fig2)
28. With respect to **Claim 23**: Kamangar discloses, wherein the performance measurement process takes a context of the listing into consideration when measuring the actual performance of the listing against the expected performance level for the listing. (Kamangar [25 & 40])
29. With respect to **Claim 24**: Kamangar discloses, wherein the context of the listing comprises factors that increase performance, including at least one of a position of the listing above other listings, a larger size of the listing relative to other listings, a distinctive formatting applied to the display of the listing, including a contrasting color, a highlighting, an animation, and a graphic, and a good performance of a neighboring listing, and factors that decrease performance, including at least one of a position of the listing below other listings, a smaller size of the listing relative to other listings, a lack of distinctive formatting applied to the display of the listing, and a poor performance of a neighboring listing. (Kamangar [25, 28, 40, 49])

30. With respect to **Claim 26**: Kamangar discloses, one or more computer-accessible media having instructions for facilitating the optimal placement of search result listings in a search result user interface, the instructions comprising:

placing a listing for a search result in an initial location based on an expected click-through rate (CTR); (Kamangar [43])

capturing an actual CTR of the listing; (Kamangar [40])

normalizing the actual CTR based on the location; (Kamangar [48])

and promoting the listing to a more desirable location when the normalized CTR is better than the expected CTR, and demote the listing to a less desirable location when the normalized CTR is worse than the expected CTR. (Kamangar [40, 43, 48 & Fig 3])

31. With respect to **Claim 27**: Kamangar discloses, the computer-accessible media of claim 26, wherein the instruction to track an actual CTR of the listing includes to capture a location of the listing when it was clicked, and the instruction to normalize the actual CTR is to adjust the CTR down when the location has a positive influence on CTR, and to adjust the CTR up when the location has a negative influence on CTR. (Kamangar [35-38, 40] Fig.4)

32. With respect to **Claim 28**: Kamangar discloses, capturing a context of the listing when it was clicked, wherein the instruction to normalize the actual CTR includes to normalize the actual CTR based on the context. (Kamangar [25 & 26])

33. With respect to **Claim 29**: Kamangar discloses, wherein the context of the listing comprises factors that influence performance, including at least one of a position of the listing relative to other listings appearing in the search results user interface, a size of the listing relative

to other listings, a presence or absence of distinctive formatting applied to the display of the listing relative to the other listings, including a contrasting color, a highlighting, an animation, and a graphic, and a CTR of an adjacent listing. (Kamangar [24, 25 & 40])

34. With respect to **Claim 30**: Kamangar discloses, wherein the listing is a pay-per-click listing and the expected CTR is set to optimize revenue earned from the listing. (Kamangar [14 & 46])

35. With respect to **Claim 31**: Kamangar discloses wherein the listing is an unpaid listing and he expected CTR is set to optimize relevance of the placement of the search result listing. (Kamangar [51]).

### ***Conclusion***

36. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure

37. Any inquiry concerning this communication or earlier communications from the examiner should be directed to DARNELL POUNCIL whose telephone number is (571) 270-3509. The examiner can normally be reached on Monday to Thursday 8 to 5 ET.

38. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jerry O'Connor can be reached on (571) 272-6787. The fax phone number for the

organization where this application or proceeding is assigned is (571) 273-8300.

39. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or (571) 272-1000.

/D. P./  
Examiner, Art Unit 4176  
May 19, 2008

/Gerald J. O'Connor/  
Supervisory Patent Examiner  
Group Art Unit 4176